



0000058207

NEW APPLICATION

**MILLER  
ISAR** INC.

REGULATORY CONSULTANTS

ORIGINAL

RECEIVED

ANDREW O. ISAR

7901 SKANSIE AVENUE,  
SUITE 240

GIG HARBOR, WA 98335

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2003 APR -1 A 11:03

AZ CORP COMMISSION  
DOCUMENT CONTROL

Via Overnight Delivery

March 31, 2003

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007-2996

**T-04177A-03-0199**

RE: Fox Communications Corporation

Dear Sir/Madam:

Enclosed are an original and ten (10) copies of Fox Communications Corporation's Arizona *Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services*.

Please acknowledge this filing by date-stamping and returning the additional copy of this transmittal letter in the self addressed, postage paid envelope provided for this purpose.

Questions regarding this filing may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

  
Andrew O. Isar  
Regulatory Consultant for  
Fox Communications Corporation

Enclosures

**ARIZONA CORPORATION COMMISSION**

**Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services**

Mail original plus 10 copies of completed application to:

For Docket Control Only:  
(Please Stamp Here)

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending  
in Arizona as an Interexchange reseller, AOS provider,  
or as the provider of other telecommunication services.

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed: \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed: \_\_\_\_\_

**A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION**

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- ☒ Resold Long Distance Telecommunications Services (Answer Sections A, B, C).
- ☐ Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- ☐ Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- ☐ Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, D, E)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

**Fox Communications Corporation      Telephone: 425.562.2900**  
**5210 Carillon Point                      Facsimile: 425.828.7889**  
**Kirkland, Washington 98033**  
**www.foxinternet.com**

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

**Not applicable.**

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

**Mr. Robert Benson**  
**Fox Communications Corporation** Telephone: 425.562.2900  
**5210 Carillon Point** Facsimile: 425.828.7889  
**Kirkland, Washington 98033**  
**Email: rbenson@whoscalling.com**

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

**Andrew O. Isar**  
**Miller Isar, Inc.**  
**7901 Skansie Avenue, Suite 240**  
**Gig Harbor, Washington 98335**  
**Tel. No.: 253-851-6700**  
**Fax No.: 253-851-6474**  
**E-mail: aisar@millerisar.com**

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

**Customer Service Manager**  
**Fox Communications Corporation** Telephone: 425.562.2900  
**5210 Carillon Point** Facsimile: 425.828.7889  
**Kirkland, Washington 98033** Toll Free: 800.488.2812

(A-7) What type of legal entity is the Applicant?

- ☐ Sole proprietorship
- ☐ Partnership: \_\_\_\_\_ Limited, \_\_\_\_\_ General, \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign
- ☐ Limited Liability Company: \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign
- ☒ Corporation: \_\_\_\_\_ "S", \_\_\_\_\_ "C", \_\_\_\_\_ Non-profit, \_\_\_\_\_ Arizona, X Foreign
- ☐ Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (Tariff page number 27 *et seq.*).
2. Tariff Maximum Rate and Prices to be Charged (Tariff page number 27 *et seq.*).
3. Terms and Conditions Applicable to provision of Service (Tariff page number 9 *et seq.*).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (Tariff page number 23).
5. The proposed fee that will be charged for returned checks (Tariff page number 30).

(A-10) Indicate the geographic market to be served:



Statewide. (Applicant adopts statewide map of Arizona provided with this application).



Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant has been or if the Applicant is currently involved in any formal or informal complaint proceedings pending before any State or federal Regulatory Commission:



Yes



No

If "Yes", please provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

(A-12) Indicate if the Applicant has been or is currently involved in any civil or criminal investigations AND/OR had judgment entered against it in any civil matter or been convicted of any criminal acts related to the delivery of telecommunications services within the last five (5) years:

Yes



No

If "Yes", please provide the following information.

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

☒ Yes

No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

☐ For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

☒ No

If "No", continue to question (A-15).

☐ For Local Exchange Resellers, a \$25,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

*Note: Amounts are cumulative if the Applicant is applying for more than one type of service.*

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

**Applicant does not collect deposits or advance payments. See Sheet No. 23 of Applicant's proposed tariff, attached as Attachment B.**

**Applicant requests a waiver of the performance bond requirement.**

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the services will be provided.

Prior to issuance of the CC&N, the Applicant must complete and submit an Affidavit of Publication Form. Refer to Attachment C - Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication).

**See Draft Publication Notice, Attachment C.**

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

☒ Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

**Applicant intends to resell the services of Arizona certificated carriers including Worldcom.**

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

**Applicant is authorized to provide service in Washington. Applicant intends to file applications to provide resold interexchange service in a majority of states.**

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

**Applicant currently offers retail telecommunications services in the State of Washington.**

#### **B. FINANCIAL INFORMATION**

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

☒ Yes

☐

No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Applicant will not rely on the financial resources of its Parent Company.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

**Applicant projects total revenue generated by the provision of telecommunications services generated from Arizona for the first twelve months following certification to be \$115,000.00**

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

**Applicant projects operating expenses to be incurred during the first twelve months of providing telecommunications services in Arizona to be no less than sixty percent (60%) of its gross intrastate revenues, or a minimum of \$69,000.00**

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

**As a non-facilities-based reseller, Applicant does not require network to serve Arizona subscribers and will maintain no assets located in the State of Arizona.**

4. If the projected value of all assets is zero, please specifically state this in your response.

**Applicant's projected value of all Arizona assets is zero.**

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

**Not applicable.**

**C. RESOLD LONG DISTANCE AND/OR LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation

☐

Yes

☒

No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐

Yes

☒

No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

**Not Applicable. Applicant will resell long distance services.**



(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- ☐ Decision # 64178 Resold Long Distance
- ☐ Decision # 64178 Resold LEC
- ☐ Decision # 64178 Facilities Based Long Distance
- ☐ Decision # 64178 Facilities Based LEC

**Not applicable.**

#### **E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

- ☐ Yes ☐ No

**Not applicable.**

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- ☐ Yes ☐ No

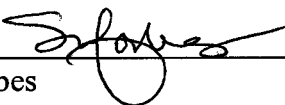
**Not applicable.**

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

- ☐ Yes ☐ No

**Not applicable.**

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

  
\_\_\_\_\_  
Steve Forbes  
President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033

March 20, 2003  
(Date)

Steve Forbes  
(Name)

PRESIDENT  
(Title)

SUBSCRIBED AND SWORN to before me this 20<sup>th</sup> day of March, 2003



  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires 5/20/03

**ATTACHMENT A**

**CERTIFICATE OF GOOD STANDING AS A FOREIGN CORPORATION  
NAMES OF CORPORATION OFFICERS, DIRECTORS AND SHAREHOLDERS  
(Attached)**

# STATE OF ARIZONA



## Office of the CORPORATION COMMISSION

### CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

#### \*\*\*FOX COMMUNICATION CORPORATION\*\*\*

a foreign corporation organized under the laws of Washington did obtain authority to transact business in the State of Arizona on the 13th day of June 2000.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 28th Day of March, 2003, A. D.



  
EXECUTIVE SECRETARY

BY: 

**FOX COMMUNICATIONS CORPORATION  
OFFICERS, DIRECTORS AND SHAREHOLDERS**

<b>NAME</b>	<b>POSITION</b>	<b>% OWNERSHIP</b>
Lonnie Benson	Chairman/Chief Executive/Director	100
Steve Forbes	President	0

**ATTACHMENT B**

**PROPOSED TARIFF**  
(Attached)

TELECOMMUNICATIONS TARIFF  
OF  
FOX COMMUNICATIONS CORPORATION

5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

RESALE INTEREXCHANGE TELECOMMUNICATIONS SERVICE

This Tariff contains the descriptions, regulations and rates applicable to the furnishing of telecommunications services provided by Fox Communications Corporation ("Company") within the State of Arizona. This Tariff is on file with the Arizona Corporation Commission. Copies may also be inspected during normal business hours at the Company's principal place of business, 5210 Carillon Point, Kirkland, Washington 98033.

---

Issued:  
Issued By:

Mr. Steve Forbes  
President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

Effective Date:

**CHECK SHEET**

The title sheet and sheets 1 through 30 inclusive of this Tariff are effective as of the date shown at the bottom of the respective sheet(s).

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
Title	Original	21	Original
1	Original	22	Original
2	Original	23	Original
3	Original	24	Original
4	Original	25	Original
5	Original	26	Original
6	Original	27	Original
7	Original	28	Original
8	Original	29	Original
9	Original	30	Original
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		

\*Indicates sheets included with this filing.

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Issued:

Effective Date:

Issued By:

Mr. Steve Forbes  
President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312



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Effective Date:

Issued By:

Mr. Steve Forbes  
President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

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Effective Rate Schedule - Attached

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President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

**CONCURRING CARRIERS**

None

**CONNECTING CARRIERS**

None

**OTHER PARTICIPATING CARRIERS**

None

**EXPLANATION OF SYMBOLS**

- (C) To signify **changed** condition or regulation
- (D) To signify **deleted or discontinued** rate, regulation or condition
- (I) To signify a change resulting in an **increase** to a Customer's bill
- (M) To signify that material has been **moved from** another Tariff location
- (N) To signify a **new** rate, regulation condition or sheet
- (R) To signify a change resulting in a **reduction** to a Customer's bill
- (T) To signify a change in **text** but no change to rate or charge

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Issued:  
Issued By:

Mr. Steve Forbes  
President  
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5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

Effective Date:

**TARIFF FORMAT**

- A. **Sheet Numbering** - Sheet numbers appear in the heading of each sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its Tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i).
  - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a Tariff filing is made with the Commission, an updated Check Sheet accompanies the Tariff filing. The Check Sheet lists the sheets contained in the Tariff with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

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Issued:

Effective Date:

Issued By:

Mr. Steve Forbes  
President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

**APPLICATION OF TARIFF**

This Tariff contains the rates, terms and conditions applicable to the provision of switched access resold intrastate interexchange telecommunications services by Fox Communications Corporation between various locations within the State of Arizona.

All services are interstate offerings. Intrastate service is an add-on service available only if the Customer subscribes to the Company's interstate offerings.

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Issued:

Effective Date:

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President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

## SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

### Account Code:

A numerical code, one or more of which are available to a Customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

### Called Station:

The terminating point of a call (i.e., the called number).

### Commission:

Arizona Corporation Commission

### Company

Fox Communications Corporation

### Credit Card:

A valid bank or financial organization card, representing an account to which the costs of products and services purchased by the card holder may be charged for future payment. Such cards include those issued by VISA or MasterCard.

### Customer:

The person, firm, corporation or other entity which orders or uses service and is responsible for payment of charges and compliance with tariff regulation.

### Debit Card

A valid bank or financial organization card, representing an account from which the costs of products and services purchased by the cardholder may be charged.

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Issued:

Effective Date:

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President  
Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued**

**Disconnect or Disconnection:**

The termination of a circuit connection between the originating station and the called station or the Company's operator.

**Subscriber:**

See "Customer" definition.

**Travel Card:**

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made to be properly billed on a pre-arranged basis.

**"800" (Toll Free) Number:**

An interexchange service offered pursuant to this tariff for which the called party is assigned a unique 8XX-NXX-XXXX number, or other designated toll-free NPA area code), and is billed for calls terminating to that number.

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Issued:

Issued By:

Mr. Steve Forbes

President

Fox Communications Corporation

5210 Carillon Point

Kirkland, Washington 98033

800.488.2312

Effective Date:

## **SECTION 2 - RULES AND REGULATIONS**

### **2.1. UNDERTAKING OF THE COMPANY**

- 2.1.1. Company's services are furnished for telecommunications originating and/or terminating in any area within the State of Arizona.
- 2.1.2. Company is a non-facilities-based provider of resold interexchange telecommunications to Customers for their direct transmission and reception of voice, data, and other types of communications.
- 2.1.3. Company resells access, switching, transport, and termination services provided by interexchange carriers.
- 2.1.4. Subject to availability, the Customer may use account codes to identify the users or user groups on an account. The numerical composition of the codes shall be set by Company to assure compatibility with the Company's accounting and billing systems and to avoid the duplication of codes.
- 2.1.5. The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.6. Request for service under this Tariff will authorize the Company to conduct a credit search on the Customer. The Company reserves the right to refuse service on the basis of credit history, and to refuse further service due to late payment or nonpayment by the Customer.

### **2.2. LIMITATIONS OF SERVICE**

- 2.2.1. Service is offered subject to availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff.

---

Issued:

Issued By:

Mr. Steve Forbes  
President

Fox Communications Corporation  
5210 Carillon Point  
Kirkland, Washington 98033  
800.488.2312

Effective Date:



**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.2. LIMITATIONS OF SERVICE, Continued**

- 2.2.2. Company reserves the right to immediately disconnect service without incurring liability when necessitated by conditions beyond the Company's control or when the Customer is using the service in violation of either the provisions of this Tariff or the Commission rules.
- 2.2.3. The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4. The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with the Company.
- 2.2.5. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.6. The Company reserves the right to refuse an application for service by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

**2.3. USE**

- 2.3.1. Service may be used for the transmission of communications by the Customer for any lawful purpose for which the service is technically suited.
- 2.3.2. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.

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Issued:

Effective Date:

Issued By:

Mr. Steve Forbes  
President  
Fox Communications Corporation  
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Kirkland, Washington 98033  
800.488.2312

**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.3. USE, Continued**

2.3.3. Application for service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.

2.3.4. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified Travel Card numbers or invalid Travel Card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

**2.4. GENERAL LIMITATIONS OF LIABILITY**

2.4.1. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in transmission occur. For the purpose of computing such amount, a month is considered to have thirty (30) days. To the extent permitted by law, the Company will in no event be responsible for any indirect, incidental, consequential, reliance, special, lost revenue, lost savings, lost profits, or exemplary or punitive damages, regardless of the form of action, whether in contract, tort, negligence of any kind whether active or passive, strict liability or otherwise. The terms of this Section shall apply notwithstanding the failure of any exclusive remedy.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.4. GENERAL LIMITATIONS OF LIABILITY, Continued**

- 2.4.2. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- 2.4.3 Except as expressly warranted in writing by Company, Company makes no warranty or guarantee, express or implied, and Company expressly disclaims any implied warranties of merchantability and fitness for a particular purpose.
- 2.4.4. Company shall be indemnified and held harmless by the Customer against:
- A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information or other content transmitted over Company's facilities; and
  - B. Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer; and
  - C. All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.
- 2.4.5. The Company is not liable for any defacement of, or damage to, the equipment or premises of a Customer resulting from the furnishing of services when such defacement or damage is not the result of the Company's negligence.

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**SECTION 2 - RULES AND REGULATIONS, Continued****2.4. GENERAL LIMITATIONS OF LIABILITY, Continued**

- 2.4.6. Company shall not be liable for and the Customer indemnifies and holds harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person, for any personal injury to, death of any person or persons, and for any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by Company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of Company's negligence.
- 2.4.7. No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.
- 2.4.8. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of nature, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one of more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this Tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.

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**SECTION 2 - RULES AND REGULATIONS, Continued****2.4. GENERAL LIMITATIONS OF LIABILITY, Continued**

- 2.4.9. The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company of any dispute concerning charges, or the basis of any claim for damages, after the invoice is rendered by the Company for the call giving rise to such dispute or claim, unless ordered by the Commission pursuant to Arizona law. The Company shall not be responsible for claims made outside the 30 day period. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demands.
- 2.4.10. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

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**SECTION 2 - RULES AND REGULATIONS, Continued****2.5. INDEMNITY**

Subject to the limitations of liability set forth in Section 2.4 hereof, the Company and the Customer shall defend, indemnify, and hold each other harmless from and against any and all claims to the extent that such claims were proximately caused by any negligent or willful act or omission by the party from whom indemnity is sought, or by the agents, employees, subcontractors or assignees of the party from whom indemnity is sought, in connection with use of the Services. The indemnifying party under this Section shall defend the other at the other's request against any such claim. The party seeking indemnification under this Section must notify the other promptly of written claims or demands for which the indemnifying party may be responsible. The Company and the Customer, as the case may be, shall cooperate fully with the other in the course of such indemnification, and the indemnifying party shall control such defense and the right to litigate, settle, appeal, provided it pays the cost of any required appeal bond, compromise or otherwise deal with any such claim or resulting judgment, provided that such settlement, compromise or other resolution of said claim does not result in any liability to the indemnified party.

**2.6. FULL FORCE AND EFFECT**

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

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**SECTION 2 - RULES AND REGULATIONS, Continued****2.7. INTERRUPTION OF SERVICE**

- 2.7.1. Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.4., herein. It shall be the obligation of the Customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.
- 2.7.2. For purposes of credit computation for leased facilities, every month shall be considered to have 720 hours. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours.
- 2.7.3. The subscriber shall be credited for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit formula:  $\text{Credit} = (A/720) \times B$

A - outage time in hours

B - total monthly charge for affected utility

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**SECTION 2 - RULES AND REGULATIONS, Continued****2.8. RESTORATION OF SERVICE**

The use and restoration of service in emergencies shall be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

**2.9. MINIMUM SERVICE PERIOD**

The minimum service period is one month (30 days).

**2.10. PAYMENTS AND BILLING**

- 2.10.1. Charges for service are applied on a recurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer. Service continues to be provided until canceled by the Customer.
- 2.10.2. The Customer is responsible in all cases for the payment of all charges for services furnished to the Customer. Charges are based on actual usage, and are billed monthly in arrears.
- 2.10.3. Billing is payable via check, wire transfer, credit card or automatic bank debit upon receipt and past due thirty (30) days after issuance and posting of invoice. Switched access Customers who request printed invoices will be charged a monthly recurring fee set forth in the Effective Rate Schedule. Switched access Customers who request electronic bills will incur no monthly billing fees. Bills not paid within thirty (30) days after the date of posting are subject to a payment charge for the unpaid balance, as set forth in the Effective Rate Schedule., and may be subject to additional collection agency fees.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.10. PAYMENTS AND BILLING, Continued**

- 2.10.4. A charge of \$20.00 appearing in the Effective Rate Schedule will apply whenever a check or draft presented for payment of service is not accepted by the institution on which it is written.
- 2.10.5. Billing disputes should be addressed to Company's customer service organization via telephone to 800.488.2312. Customer service representatives are available from 6:00 AM to 6:00 PM Pacific Time. Messages may be left for Customer Services from 6:01 PM to 5:59 AM Pacific Time, which will be answered on the next business day, unless in the event of an emergency which threatens customer service, in which case Customer Service Staff may be paged.
- 2.10.6. In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action:
- A. First, the Customer may request, and the Company will perform, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.10. PAYMENTS AND BILLING, Continued**

**2.10.6. Continued**

- B. Second, if there is still disagreement over the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the Arizona Corporation Commission for its investigation and decision.

The address and telephone number of the Commission are:

Arizona Corporation Commission  
Consumer Services Section  
1200 West Washington Street  
Phoenix, Arizona 85007

Telephone number: 602.542.4251  
Toll Free: 800.222.7000

**2.11. CANCELLATION BY CUSTOMER**

- 2.11.1. Customer may cancel service by subscribing to another presubscribed interexchange carrier.
- 2.11.2. Customer is responsible for usage charges while still connected to the Company's service, even if the customer utilizes services rendered after the Customer's request for cancellation has been made notice and the payment of associated local exchange company charges, if any, for service charges.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.11. CANCELLATION BY CUSTOMER, Continued**

2.11.3. Any non-recoverable cost of Company expenditures shall be borne by the Customer if:

- A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some period mutually agreed upon with the Customer for the non-recoverable portions of expenditures; or
- B. Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
- C. If based on an order for service and construction has either begun or has been completed, but no service provided.

**2.12. CANCELLATION BY COMPANY**

2.12.1. Company reserves the right to immediately discontinue furnishing the service to Customers without advance written notice and without incurring liability, in accordance with Arizona Administrative Code ("A.C.C.") Rule R14-2-509(B), Termination of Service Without Notice:

- A. For the existence of an obvious hazard to the safety or health of the consumer or the general population of the Company's personnel or facilities; or
- B. For the Company has evidence of tampering or evidence of fraud.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.12. CANCELLATION BY COMPANY, Continued**

- 2.12.2. Company may discontinue service with five (5) day's written notice in accordance with A.C.C. Rule R14-2-509(C), Termination of Service with Notice:
- A. For Customer violation of any of the Company's tariffs filed with the Commission and/or violation of the Commission's rules and regulations; or
  - B. For failure of the customer to provide the Company reasonable access to its equipment and property; or
  - C. For failure to meet or maintain the Company's credit and deposit requirements; or
  - D. For failure of the Customer to provide the Company reasonable access to its equipment and property; or
  - E. For Customer breach of contract for service between the Company and Customer; or
  - F. When necessary for the Company to comply with an order of any governmental agency having jurisdiction; or
  - G. For the unauthorized resale of equipment or service.
- 2.12.3. The discontinuance of service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance. The remedies available to the Company set forth herein shall not be exclusive and the Company shall at all times be entitled to all the rights available to it under law or equity.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.12. CANCELLATION BY COMPANY, Continued**

- 2.12.4. The Company may refuse to permit collect calling, Travel Card and third-number billing, when offered, which it determines to be fraudulent and/or may limit the use of these billing options or services.

**2.13. INTERCONNECTION**

- 2.13.1. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- 2.13.2. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way and other such arrangements necessary for interconnection.

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**SECTION 2 - RULES AND REGULATIONS, Continued**

**2.14. DEPOSITS AND ADVANCE PAYMENTS**

The Company does not collect deposits or advance payments for its services.

**2.15. CREDIT LIMIT**

The Company may, at any time and at its sole discretion, set a credit limit for any Customer's consumption of Services for any monthly period.

**2.16. TAXES**

The Customer is responsible for payment of all federal, state and local taxes, franchise, excise and other fees applicable to the Services, including, but not limited to: sales, use, excise, franchise, access, universal service, 911 services and handicapped services.

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### **SECTION 3 - DESCRIPTION OF SERVICE**

#### **3.1. TIMING OF CALLS**

- 3.1.1. The Customer's long-distance usage charge is based on the actual usage of Company's service. Usage begins when the called party answers the call. The moment of the called party's answer is determined by hardware supervision in which the local telephone company sends a signal to the underlying carrier's switch or the software utilizing audio tone detection. For call rating purposes, the call begins when the called party answers and ends when either party hangs up. The timing of the call occurs when the called party answers and terminated when either party hangs up.
- 3.1.2. The minimum call duration for billing purposes for all services, unless otherwise provided in this Tariff, is six (6) seconds with six (6) second billing increments thereafter.
- 3.1.3. Any portion of an applicable increment, after the appropriate minimum time for the call, will be rounded upward to the next increment. Calls less than the minimum length will be rounded to the minimum length.
- 3.1.4. There is no billing for incomplete calls.

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**SECTION 3 - DESCRIPTION OF SERVICE, Continued**

**3.2. FOX COMMUNICATIONS CORPORATION TELECOMMUNICATIONS SERVICES**

- 3.2.1. Company provides switched access telecommunications services that allow Customer to establish a communications path between two stations by using uniform dialing plans.
- 3.2.2. **S1 Direct Dial Service** is a switched access service offering users outbound "1 plus" long distance telecommunications services.
- 3.2.3. **S2 Toll Free Service** is a switched or dedicated access service offering users inbound, toll free (8XX NPA) long distance telecommunications services. This service enables the caller to contact the Customer without incurring toll charges, through the use of an assigned toll free number. The Customer pays for the call.
- 3.2.4. **Calling Card Service** permits the caller to charge the principal presubscribed location for a call while the caller is away from the principal location. The Customer may place calls from any touch-tone phone in the United States by dialing a toll free number and entering a personal identification code, followed by the desired telephone number. Calling Card calls appear on the Customer's monthly long-distance bill.

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**SECTION 3 - DESCRIPTION OF SERVICE, Continued****3.3. PROMOTIONS**

The Company may, from time to time, engage in special promotions of new or existing Service offerings of limited duration designed to attract new Customers or to increase existing Customer awareness of a particular offering. The promotional offerings are subject to the availability of the Services and may be limited to a specific geographical area or to a subset of a specific market group; provided, however, all promotional offerings shall be offered in accordance with applicable Commission rules or regulations.

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**SECTION 4 – RATES****4.1. SERVICE CHARGES**

Service charges per account are based on the following schedules:

**4.1.1. Fox Communications Corporation Switched Direct Dial Service**

Minimum		Maximum	
Initial Six (6) Seconds	Add'l Six (6) Seconds	Initial Six (6) Seconds	Add'l Six (6) Seconds
\$0.027	\$0.027	\$0.009	\$0.009

**4.1.2. Fox Communications Corporation Switched Toll Free Service**

Minimum		Maximum	
Initial Six (6) Seconds	Add'l Six (6) Seconds	Initial Six (6) Seconds	Add'l Six (6) Seconds
\$0.027	\$0.027	\$0.009	\$0.009

**4.1.3. Fox Communications Corporation Postpaid Calling Card Service**

Minimum		Maximum	
Initial Six (6) Seconds	Add'l Six (6) Seconds	Initial Six (6) Seconds	Add'l Six (6) Seconds
\$0.0285	\$0.0285	\$0.0095	\$0.0095

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**SECTION 4 – RATES, Continued****4.1. SERVICE CHARGES, Continued****4.1.4. Public Telephone Surcharge**

In order to recover the Company's expenses pursuant to the Federal Communications Commission's pay telephone compensation plan effective October 7, 1997 (FCC 97-371, "Dial Around Compensation"), an undiscounted per call charge is applicable to all interstate, intrastate, and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard tariffed usage charges and applicable service charges and surcharges associated with the Company's service herein, applies for the use of the instrument used to access the Company service and is unrelated to the Company's service accessed from the pay telephone.

Pay telephones include coin-operated and coin less phones owned by local exchange carriers, independent local exchange carriers, interexchange carriers, and those provided by independent instrument providers. The Public Pay Telephone Surcharge applies to the initial completed call and any re-originated call.

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

	Maximum	Minimum
Per Call Surcharge	\$0.75	\$0.25

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**SECTION 4 – RATES, Continued****4.1. SERVICE CHARGES, Continued****4.1.5. Directory Assistance**

Directory Assistance is available to Company Customers. A Directory Assistance charge applies to each call to the Directory Assistance Bureau. Up to two requests may be made on each Directory Assistance call. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested number.

	Maximum	Minimum
InterLATA Directory Assistance, per call	\$1.275	\$0.425
IntraLATA Directory Assistance, per call	\$1.275	\$0.425

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**SECTION 4 – RATES, Continued****4.2. MISCELLANEOUS FEES AND SURCHARGES****4.2.1. Returned Check Charge**

A charge of up to five (5) percent of the amount of the check, whichever is greater, will apply whenever a check or draft presented for payment of service is not accepted by the institution on which it is written.

	Minimum	Maximum
Returned Check Charge, per Check	\$10.00	\$40.00

**4.2.2. Late Payment Penalty**

Bills not paid within thirty (30) days after the date of posting are subject to a payment charge of 1.5% on the unpaid balance, and may be subject to additional collection agency fees.

**4.3. INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS**

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a Service offered under this Tariff. Rates quoted in response to such competitive requests may be different than those specified for such Services in this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

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**EFFECTIVE RATE SCHEDULE****1.1. SERVICE CHARGES**

Service charges per account are based on the following schedules:

**1.1.1. Fox Communications Corporation Switched Direct Dial Service**

<b>Initial Six (6) Seconds</b>	<b>Additional Six (6) Seconds</b>
\$0.0180	\$0.0180

**1.1.2. Fox Communications Corporation Switched Toll Free Service**

<b>Initial Six (6) Seconds</b>	<b>Additional Six (6) Seconds</b>
\$0.0180	\$0.0180

**1.1.3. Fox Communications Corporation Postpaid Calling Card Service**

<b>Initial Six (6) Seconds</b>	<b>Additional Six (6) Seconds</b>
\$0.0190	\$0.0190

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**EFFECTIVE RATE SCHEDULE, Continued****1.1. SERVICE CHARGES, Continued****1.1.4. Public Telephone Surcharge**

Per Call Surcharge \$0.50

**1.1.5. Directory Assistance**

InterLATA Directory Assistance, per call \$0.85

IntraLATA Directory Assistance, per call \$0.85

**1.1.5. Returned Check Charge**

A charge of \$20.00 or up to five (5) percent of the amount of the check, whichever is greater, will apply whenever a check or draft presented for payment of service is not accepted by the institution on which it is written.

**1.1.6. Late Payment Penalty**

Bills not paid within thirty (30) days after the date of posting are subject to a payment charge of 1.5% on the unpaid balance, and may be subject to additional collection agency fees.

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**Fox Communications Corporation  
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Kirkland, Washington 98033  
800.488.2312**

**Effective Date:**

**ATTACHMENT C**

**DRAFT PUBLICATION NOTICE**  
(Attached)



**NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE COMPETITIVE RESOLD INTEREXCHANGE  
TELECOMMUNICATIONS SERVICES BY FOX COMMUNICATIONS CORPORATION**

Fox Communications Corporation ("Applicant") has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold interexchange telecommunications services in the State of Arizona. Applicant will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission.

A.R.S. § 40-282 provides that the Commission may act on an application for a Certificate to provide resold telecommunications services without a hearing, or with a hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing.

The application, report of the Commission's Utilities Division Staff, and any written exceptions to the Staff report prepared by the applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona, 85007, and at the offices of Applicant's Regulatory Consultants, Miller Isar, Inc., 7901 Skansie Avenue, Suite 240, Gig Harbor, Washington 98335.

Under appropriate circumstances, interested parties may intervene in the proceedings, and participate as a party. Intervention shall be in accordance with the A.A.C. R 14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to:

The Arizona Corporation Commission  
Attention Docket Control  
Re: Fox Communications Corporation  
Docket No. \_\_\_\_\_  
1200 West Washington Street  
Phoenix, Arizona 85007

All Comments should be received within twenty (20) days of the date of this notice.

**ATTACHMENT D**

**BALANCE SHEET AND INCOME STATEMENT<sup>1</sup>**  
(Attached)

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<sup>1</sup> Applicant does not have an audit report, nor does it maintain a retained earnings balance report other than that reflected on its annual income statements, attached. There are no additional notes to financial statements and information.

# Fox Communications, Inc.

## Balance Sheet (Unaudited)

As of December 31, 2001

### ASSETS

#### **Current Assets**

1000	Cash	\$	414,800
1100	Accounts receivable - Trade		658,256
1110	Accounts receivable - Other		820,712
1300	Prepaid expenses		64,197
1400	Deposits		38,196
1430	Current portion related party rec'v		116,418
1450	Inventory		7,527
<b>Total Current Assets</b>			<b>2,120,106</b>

#### **Fixed Assets**

1500	Automobiles		92,294
1510	Computer equipment		1,612,709
1520	Furniture & fixtures		160,202
1530	Office equipment		110,329
1540	Leasehold improvements		126,084
1560	Switch		1,694,163
1570	Cellular Equipment		4,644
1700	Accumulated depreciation		(2,571,847)
<b>Total Fixed Assets</b>			<b>1,228,580</b>

#### **Other Assets**

1250	Notes receivable - shareholder		3,900
1800	Deposits		22,428
1850	Notes receivable - other related		122,436
1855	Notes receivable - shareholder		479,347
1860	Notes receivable - WCC		213,708
1870	Notes receivable - FMG		5,500
1880	Current portion - related party rec'v		(116,418)
<b>Total Other Assets</b>			<b>730,901</b>

#### **Total Assets**

**\$ 4,079,587**

# Fox Communications, Inc.

## Balance Sheet (Unaudited)

As of December 31, 2001

### LIABILITIES & SHAREHOLDERS' EQUITY

#### **Current Liabilities**

2000	Accounts payable	2,559,730
2100	Salaries payable	94,037
2110	Payroll taxes payable	3,442
2190	Other payroll related items	1,180
2300	Other taxes payable	236,239
2450	Other current liabilities	742,670
2490	Current portion long-term debt	1,190,941
<b>Total Current Liabilities</b>		<b>4,828,238</b>

#### **Other Liabilities**

2500	Capital leases	433,220
2600	Notes payable - WCC	23,374
2650	Notes payable - Other	76,474
2700	Notes payable - Shareholder	298,517
2750	Note payable - CALL4	4,224,639
2850	Deposits	13,494
2900	Unearned Revenue	447,699
2990	Less: current portion LTD	(1,190,941)
<b>Total Other Liabilities</b>		<b>4,326,477</b>

#### **Total Liabilities**

**9,154,716**

#### **Shareholders' Equity**

3100	Capital Stock	7,840
3200	Additional Paid-in Capital	552,199
3800	Distributions	(1,493,839)
	Retained Earnings	(3,987,650)
	Net Income	(153,678)
<b>Total Shareholders' Equity</b>		<b>(5,075,129)</b>

#### **Tota Liabilities, Preferred Stock and Shareholders' Equity**

**\$ 4,079,587**

**Fox Communications, Inc.**  
**Income Statement (Unaudited)**  
**For Period Ending December 31, 2001**

	<u>Current Period</u>	<u>Year-to-Date</u>
<b>Revenue</b>		
4050 Cellular Equipment	\$ 8,584	\$ 234,846
4100 Commissions Earned	(204,530)	478,435
4150 Internet	265,986	2,269,723
4200 Long Distance	686,919	7,307,317
4250 Conferencing Services	27,077	104,090
4300 Pager	2,517	34,816
4350 PCCC	44,117	522,267
4400 Reciprocity	50,092	1,254,042
4450 USFF	20,358	211,623
4480 Late Fees	3,104	41,578
4490 Adjustments & credits	(52,265)	(626,746)
<b>Total Revenue</b>	<b>851,960</b>	<b>11,831,991</b>
<b>Direct Cost</b>		
4500 Facilities Costs	126,130	4,503,643
4550 Cellular	14,254	163,487
4560 Internet Costs	26,995	591,802
4600 Conferencing	748	5,616
4650 USFF Costs	31,160	214,349
4700 Equipment	9,034	61,388
4750 Pager Costs	3,070	29,164
4800 Miscellaneous Costs	190	5,533
<b>Total Direct Cost</b>	<b>211,579</b>	<b>5,574,983</b>
<b>Gross Margin</b>	<b>640,381</b>	<b>6,257,009</b>
<b>Sales Expense</b>		
5000 Salaries	22,713	371,718
5010 Commissions - in house	9,573	296,542
5020 Employee Benefits	2,168	41,542
5030 Payroll taxes	2,087	33,570
5040 Comm-Independent Agents Cell	28,595	197,276
5050 Comm-WCC	62,709	465,183
5090 Other employee related	-	1,185
5200 Advertising, marketing & P.R.	22,313	349,179
5300 Trade shows	-	7,768
5400 Travel, entertainment & meals	1,612	19,129
5500 Telecommunications	3,290	28,741
5600 Contract labor	(60,970)	30,089
5900 Office & Miscellaneous	3,546	39,980
<b>Total Sales Expense</b>	<b>97,637</b>	<b>1,881,902</b>

**Fox Communications, Inc.**  
**Income Statement (Unaudited)**  
**For Period Ending December 31, 2001**

	<u>Current Period</u>	<u>Year-to-Date</u>
<b>General &amp; Administrative Expenses</b>		
6000 Salaries	88,458	1,483,592
6010 Commissions	58	4,783
6020 Employee Benefits	14,147	148,382
6030 Payroll taxes	8,072	148,052
6090 Other employee related	1,212	30,029
6100 Service Allocation	15,749	13,700
6150 Contract labor	-	58,765
6200 Outside professional services	28,681	423,170
6220 Billing & Credit expense	10,851	66,016
6300 Rent	19,785	251,115
6350 Equipment lease	41,636	267,201
6400 Telecommunications	14,838	167,031
6450 Travel, entertainment & meals	3,734	21,441
6500 Supplies & office expense	4,178	150,411
6550 Utilities & maintenance	(738)	48,423
6600 Insurance	2,705	50,150
6650 Bad Debt Expense	(11,588)	42,456
6700 Taxes and licenses	8,277	163,307
6750 Computer expense	241	12,509
6900 Miscellaneous	(1,458)	55,182
<b>Total G &amp; A</b>	<u>248,839</u>	<u>3,605,715</u>
 <b>Total Operating Expenses</b>	 <u>346,477</u>	 <u>5,487,616</u>
 <b>EBITDA</b>	 <u>293,904</u>	 <u>769,393</u>
7000 Depreciation and amortization	50,520	539,464
<b>EBIT</b>	<u>243,385</u>	<u>229,928</u>
 <b>Other Income (Expense)</b>		
8000 Interest income	48,587	114,700
8100 Rental Income	1,995	23,940
8200 Miscellaneous Income	13	(4,459)
8300 Interest Expense	(55,408)	(517,788)
<b>Total Other Income (Expense)</b>	<u>(4,814)</u>	<u>(383,607)</u>
<b>Net Income (Loss) After Tax</b>	<u>\$ 238,571</u>	<u>\$ (153,678)</u>

# Fox Communications, Inc.

## Balance Sheet (Unaudited)

As of November 30, 2002

### ASSETS

#### Current Assets

Cash	\$	90,571
Accounts receivable - Trade		569,365
Accounts receivable - Other		172,575
Prepaid expenses		46,437
Deposits		41,093
Current portion related party rec'v		83,880
Inventory		1,329
<i>Total Current Assets</i>		<u>1,005,250</u>

#### Fixed Assets

Automobiles		82,520
Computer equipment		1,673,975
Furniture & fixtures		160,202
Office equipment		110,329
Leasehold improvements		126,084
Switch		1,694,163
Cellular Equipment		4,644
Accumulated depreciation		(3,053,092)
<i>Total Fixed Assets</i>		<u>798,826</u>

#### Other Assets

Notes receivable - shareholder		600
Deposits		10,868
Notes receivable - other related		122,436
Notes receivable - shareholder		515,385
Notes receivable - WCC		107,839
Notes receivable - FMG		5,500
Current portion - related party rec'v		(83,880)
Investment in WCI		600,000
Other assets		27,856
Due to/from FMG		602,117
Due to/from WCC		(297,883)
Due to/from Other		24,472
<i>Total Other Assets</i>		<u>1,635,309</u>

#### Total Assets

\$ 3,439,385

# Fox Communications, Inc.

## Balance Sheet (Unaudited)

As of November 30, 2002

### LIABILITIES & SHAREHOLDERS' EQUITY

#### Current Liabilities

Accounts payable	2,186,455
Salaries payable	91,242
Payroll taxes payable	4,397
Other payroll related items	2,117
Other taxes payable	339,007
Other current liabilities	622,780
Current portion long-term debt	1,234,353
<b>Total Current Liabilities</b>	<b>4,480,351</b>

#### Other Liabilities

Capital leases	262,278
Notes payable - WCC	9,076
Notes payable - Other	52,687
Notes payable - Shareholder	239,479
Note payable - CALL4	3,359,222
Deposits	14,351
Unearned Revenue	391,295
Less: current portion LTD	(1,234,353)
Other Long Term Liability	27,856
<b>Total Other Liabilities</b>	<b>3,121,890</b>

#### Total Liabilities

7,602,241

#### Shareholders' Equity

Capital Stock	7,840
Additional Paid-in Capital	552,199
Distributions	(1,493,839)
Retained Earnings	(4,147,581)
Net Income	918,527
<b>Total Shareholders' Equity</b>	<b>(4,162,856)</b>

#### Total Liabilities, Preferred Stock and Shareholders' Equity

\$ 3,439,385

(0)



**Fox Communications, Inc.**  
**Income Statement (Unaudited)**  
**For Period Ending November 30, 2002**

Year-to-Date

**Revenue**

Cellular Equipment	\$ 64,543
Commissions Earned	36,609
Internet	2,110,262
Netwk Mgmt Revenue	48,993
Long Distance	9,786,720
Conferencing Services	627,118
Pager	16,772
PICC	418,756
Reciprocity	1,093,142
USFF	424,554
Late Fees	32,317
Adjustments & credits	(781,579)
<b>Total Revenue</b>	<u>13,878,209</u>

**Direct Cost**

Facilities Costs	4,813,662
Cellular	59,255
Internet Costs	599,116
Netwk Mgmt COS	39,654
Conferencing	77,230
USFF Costs	264,106
Equipment	1,895
Pager Costs	17,152
Miscellaneous Costs	15,327
<b>Total Direct Cost</b>	<u>5,887,397</u>
<b>Gross Margin</b>	<u>7,990,812</u>

**Sales Expense**

Salaries	323,508
Commissions - in house	(73,404)
Employee Benefits	22,214
Payroll taxes	27,257
Comm-Independent Agents Cell	225,819
Comm-WCC	1,720,156
Other employee related	1,595
Advertising, marketing & P.R.	222,590
Travel, entertainment & meals	22,246
Telecommunications	25,232
Contract labor	305,083
Office & Miscellaneous	48,957
<b>Total Sales Expense</b>	<u>2,871,252</u>

**Fox Communications, Inc.**  
**Income Statement (Unaudited)**  
**For Period Ending November 30, 2002**

**Year-to-Date**

***General & Administrative Expenses***

Salaries	824,971
Commissions	2,292
Employee Benefits	51,275
Payroll taxes	94,219
Other employee related	13,422
Service Allocation	550,000
Contract labor	20,689
Outside professional services	426,580
Billing & Credit expense	63,410
Rent	236,586
Equipment lease	356,291
Telecommunications	173,542
Travel, entertainment & meals	39,648
Supplies & office expense	138,268
Utilities & maintenance	41,523
Insurance	65,157
Bad Debt Expense	148,047
Taxes and licenses	157,315
Computer expense	11,277
Miscellaneous	39,423
<b>Total G &amp; A</b>	<b><u>3,453,931</u></b>

***Total Operating Expenses***

**6,325,183**

***EBITDA***

**1,665,630**

Depreciation and amortization

**482,874**

***EBIT***

**1,182,756**

***Other Income (Expense)***

Interest income	62,194
Miscellaneous Income	(8,585)
Interest Expense	(317,838)
<b>Total Other Income (Expense)</b>	<b><u>(264,229)</u></b>

***Net Income (Loss) After Tax***

**\$ 918,527**